

**Submitted by Michigan Environmental Council  
April 25, 2013**

6. How can reliability costs and benefits be assessed and incorporated into an analysis of renewables costs? Has any jurisdiction tried to do so, and if so, how?

We do not think it is productive to assess costs and benefits to particular generating sources. Renewable energy can bring certain advantages to a utility's overall portfolio such as stable long-term prices, low volatility, low public health externalities and more economic development opportunities which should be valued by our regulatory decision making structure. Other assets may provide higher reliability benefits, but present higher volatility risks, public health impacts and other costs not currently considered by our current regulatory process.

A robust integrated planning process can evaluate the pros and cons of different allocations of technologies and help select one that is "most reasonable and prudent" from the perspective of ratepayers. We think this also places "reliability" in the right context. What is important for ratepayers is not whether any particular source or class of sources is reliable, but whether all the potential sources under control of the utility or MISO can provide excellent reliability to Michigan power users. While a renewable source may be intermittent, that fact is irrelevant for grid operators as long as the source is predictable (can anticipate production 24 hours in advance) and sufficient load following and peaking capacity is available to compliment its use of the system.

Unless and until all positive and negative attributes of energy sources are accounted for in energy decisions it is arbitrary to assign costs based on just one of many important factors associated with energy production.